Daily Market Brief

October 24th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD fell by 0.2% as the Euro weakened ahead of upcoming Purchasing Managers Index figures, hitting a 16-week low. European Central Bank officials downplayed economic concerns while emphasizing caution regarding future rate cuts. Anticipation is high for the PMI results, with expectations of a slight increase in the EU Services PMI and mixed outcomes for the US PMI components.

GBP/USD

The GBP/USD dropped by 0.5%, reaching a ten-week low near the 1.2900 mark as the Pound weakened amid a broader recovery of the US Dollar. Investors are anticipating UK and US PMI figures, with forecasts suggesting a slight decline in UK activity, particularly a drop in the Services PMI from 52.4 to 52.2. Meanwhile, US PMI expectations are mixed, with the Manufacturing component expected to rise slightly and the Services PMI projected to decrease marginally.

USD/JPY

The Japanese Yen gained some ground following verbal intervention from officials, recovering from significant weekly losses as the US Dollar pulled back from a three-month high. However, further appreciation of the Yen seems unlikely due to concerns about the Bank of Japan's ability to raise interest rates amid election uncertainty. Elevated US bond yields, driven by expectations for less aggressive Federal Reserve policy easing and deficit concerns, may continue to limit the Yen's upside, prompting traders to seek short-term opportunities in the upcoming global PMI prints.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0788	1.0794	1.0779	0.06	-0.40	-2.27
GBP-USD	1.2929	1.2933	1.2909	0.06	-0.63	1.56
USD-JPY	152.34	152.83	152.11	-0.28	-1.40	-7.42
USD-CHF	0.8658	0.8672	0.8657	-0.07	0.02	-2.82
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2729.21	2729.82	2715.43	0.50	1.36	32.29
Silver	33.93	33.97	33.64	0.70	7.06	42.61
Crude Oil	71.52	71.80	70.95	1.06	2.04	1.74
Bitcoin	67354.57	67529.35	66292.18	1.15	-1.29	58.45
Etherium	2557.20	2558.10	2498.83	1.78	-3.33	12.04

Period	1M	3M	6M	12M
SOFR ($)	4.74	4.63	4.45	4.17
ESTR (€)	2.35	3.02	2.74	2.35
SONIA (£)	4.84	4.71	4.53	4.23
SARON (F)	0.93	0.76	0.63	0.46
TONAR (¥)	0.22	0.21	0.14	0.07

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks fell sharply on Wednesday, with the Dow Jones Industrial Average posting its worst day in more than a month, as higher Treasury yields weighed on market sentiment. At its session high, the benchmark 10-year Treasury yield topped 4.25%, reaching its highest level since July 26. Megacap stocks were under pressure Wednesday, with Apple and Nvidia shares losing more than 2%.

EUROPE

European markets closed lower Wednesday as investors in the region focused on corporate reports and U.S. Treasury yields. Heineken was last up 2.6% and Swedbank up 5%. Volvo Cars traded 5.9% lower, AkzoNobel was down 3.5% and L'Oreal fell 2.5% after the firms reported earnings earlier.

ASIA

Asia-Pacific markets mostly fell Thursday after U.S. stocks dropped overnight, with the Dow Jones Industrial Average posting its worst day in more than a month. On a year-on-year basis, South Korea's economy grew 1.5%, also slower than the 2% increase expected by economists.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42514.95	-0.96	0.73	12.80	42686.00	-1.12
S&P	5797.42	-0.92	1.12	21.54	5851.75	-0.69
Nasdaq	18276.65	-1.60	1.12	21.75	20334.50	-1.01
DJ EuroStoxx50	4922.55	-0.34	-0.37	8.87	4934.00	-0.46
FTSE 100	8258.64	-0.58	-0.29	6.79	8308.50	-0.41
CAC 40	7497.48	-0.50	-1.40	-0.61	7543.50	-0.21
DAX	19377.62	-0.23	2.01	15.68	19466.00	-0.44
IBEX 35	11865.20	0.27	0.24	17.45	11834.10	0.24
FTSE MIB	34697.23	-0.10	2.41	14.32	34534.00	-0.10
Nikkei	38104.86	0.20	0.63	14.10	38210.00	-0.60
Hang Seng	20760.15	-1.33	7.81	20.16	20484.00	-0.01
DFM General	4464.19	-0.07	0.06	9.96	N/A	N/A
MSCI Tadawoul	11901.77	-0.46	-2.99	-0.55	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	96.65	99.85	96.00	-2.77	2.82	8.47
Solidere B	96.05	96.05	96.05	-1.99	5.90	6.78

MUST READ

(Source: Bloomberg/ Forexlive)

Economic activity little change, labor market strength continues: Fed

Economic activity was little changed since early September as some consumers growing more sensitive to price pressures even as the labor market continued to show strength, according to the Federal Reserve's Beige Book released Wednesday. The unchanged outlook on the economy comes amid a string of stronger economic data released recently including the stronger September jobs report and retail sales. The stronger data have dented market expectations for a fast and deep rate cut cycle, with some even mulling whether the Fed is likely to pause at one of the two remaining meetings this year. Consumer spending was mixed, according to the report, with "some Districts noting shifts in the composition of purchases, mostly toward less expensive alternatives." The labor market, meanwhile, continue to show signs of strength. More than half of the districts reporting slight or modest growth, the report showed, while the remaining districts reporting little or no change. Many districts reported low worker turnover, and layoffs reportedly remained limited, underpinning an ongoing modest to moderate pace of wage increases. Inflation, meanwhile, continued to moderate, according to the report. In a sign that firms continue to struggle to pass on higher prices, the beige book noted that multiple districts "reported that input prices generally rose faster than selling prices, compressing firms' profit margins."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Honeywell Intern	HON US	$ 143.15B	24-Oct-24	Pre-mkt	2.51	2.27
United Parcel Ser	UPS US	$ 112.56B	24-Oct-24	Pre-mkt	1.63	1.57
Northcorp Grumn	NOC US	$ 75.52B	24-Oct-24	Pre-mkt	6.08	6.18
Southwest Airline	LUV US	$ 18.41B	24-Oct-24	Pre-mkt	0.07	0.38
L3harris Technolo	LHX US	$ 46.33B	24-Oct-24	Aft-mkt	3.25	3.19

ECONOMIC CALENDAR

(24-10-24) FR - HCOB France Manufacturing PMI
(24-10-24) UK - S&P Global UK Manufacturing PMI
(24-10-24) US - Initial Jobless Claims
(25-10-24) JP - Tokyo CPI YoY / Tokyo CPI Ex-Fresh Food YoY
(25-10-24) US - Durable Goods Orders
(25-10-24) US - University Of Michigan Sentiment
(28-10-24) US - Dallas Fed Manf. Activity

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9